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POSTAL REGULATORY  
COMMISSION  
OFFICE OF THE SECRETARY

January 10, 2008

Hon. Steven W. Williams, Secretary  
Postal Rate Commission  
901 New York Avenue NW, Suite 200  
Washington, D.C. 20268-0001

Dear Mr. Williams:

This is to advise the Postal Regulatory Commission (PRC) of changes to the City Carrier Cost System (CCCS) that have been developed since Docket No. R2006-1. As the Commission is aware, data collected in the CCCS are used to distribute city carrier costs to categories of mail. The CCCS provides year-round data that reflect up-to-date operational and mail-mix changes.

Beginning with data collection in Quarter 1, Fiscal Year 2008, CCCS has been redesigned to align with the results of the City Carrier Street Time Study (CCSTS), which was reviewed by the PRC in Docket No. R2005-1. As a result of this redesign, the CCCS no longer collects mailpiece data by stop type. The new design eliminates the second-stage sample (by "Trip"), and it changes the third-stage sample from a clustered design (by "Stop") to a systematic design that samples mailpieces on a "skipped" basis (See Library Reference USPS-LR-L-11, page 2, filed in Docket No. R2006-1). The sample design of the CCCS is now similar to the design of the Rural Carrier Cost System (See Library USPS-LR-L-12, page 2, filed in Docket No. R2006-1).

In the Postal Service's view, these changes have created a more efficient sample design. The simplified design reduces statistical variation and improves sampling precision. Furthermore, the changes have greatly simplified the field data collection process, and have reduced interruptions of carriers' in-office work. Overall, the redesigned CCCS provides more refined data that improve the distribution of carrier costs by providing more accurate information on parcels, carrier casing, and collection mail.

We would be happy to provide more information on these changes if you would like.  
Just call me at (202) 268-2989, and we will arrange a suitable means and time.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. Foucheaux, Jr." followed by a small flourish.

Daniel J. Foucheaux, Jr.  
Chief Counsel, Rates and  
Classifications